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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

NG02-010

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Facsimile: 605-353-7519
www.northwesternenergy.com

November 25, 2002

Ms. Debra Elofson
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501-5070

Re: **South Dakota Gas Rate Schedule Section No. 3, Sheet No. 11**

Dear Ms. Elofson:

Attached are an original and 3 copies of revised tariff sheet 11 of section 3 of NorthWestern Energy's gas tariff. The proposed effective date is Jan 1, 2003.

In docket NG96-015, NorthWestern filed to recover costs related to Manufactured Gas Plant clean-up costs using a cost and recovery tracker. The result of this docket was approval of a \$0.014 per therm surcharge. NorthWestern has since been recovering the related costs and carrying charges on a volumetric basis.

As of Nov 1, 2002, NorthWestern has completed the recovery of the costs related to the clean-up. The intent of this filing is to reflect the removal of the \$0.014 per therm charge from tariff sheet 11 of section 3. A residential customer using 150 therms of gas per month would see a reduction of \$2.10.

NorthWestern currently has an over recovery of \$8,166 related to this rate schedule. As it does not seem reasonable to match volumes of over 40,000 customers with a projected rate to return this money to customers, NorthWestern proposes to transfer the credit balance to the Commodity gas cost true-up. This one time entry will return the money to customers and will eliminate the need for future tracking of the over/under balance and its return to customers.

Sincerely,
Northwestern Energy

A handwritten signature in cursive script that reads "Jeff J. Decker".

Jeff J. Decker

Enclosures

SOUTH DAKOTA GAS RATE SCHEDULE

**NORTHWESTERN ENERGY
HURON
SOUTH DAKOTA**

Section No. 3
4th Revised **Sheet No. 11**
Canceling 3rd Revised **Sheet No. 11**

(SHEET INTENTIONALLY LEFT BLANK)

Date Filed: November 25, 2002

Billings on and after
Effective Date: January 1, 2003

Michael J. Hanson
Issued By: President & CEO

CONFIDENTIAL

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South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of November 21, 2002 through November 27, 2002

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this report. Phone: 605-773-3705 Fax: 605-773-3809

NATURAL GAS

NG02-010 In the Matter of the Filing by NorthWestern Energy for Approval of Tariff Revisions.

Application by NorthWestern Energy for approval of revisions to its natural gas tariff to terminate Manufactured Gas Plant cost recovery. In Docket NG96-015, NorthWestern Energy filed to make numerous changes to its natural gas tariff, including recovery of costs associated with manufactured gas plant clean-up. The result of the filing was a per therm surcharge approved by the Commission to recover the manufactured gas plant costs. NorthWestern Energy has now completed recovery of the related costs and now requests discontinuance of the surcharge. NorthWestern proposes to pass back an associated over-recovery to customers through the commodity gas cost true-up.

Staff Analyst: Dave Jacobson

Staff Attorney: Karen Cremer

Date Docketed: 11/26/02

Intervention Deadline: 12/13/02

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE FILING BY) ORDER APPROVING TARIFF
NORTHWESTERN ENERGY FOR APPROVAL) REVISIONS
OF TARIFF REVISIONS) NG02-010**

On November 26, 2002, the Public Utilities Commission (Commission) received a filing from NorthWestern Energy (NWE) for approval of revisions to its natural gas tariff to terminate Manufactured Gas Plant cost recovery. In Docket NG96-015, NWE filed to make numerous changes to its natural gas tariff, including recovery of costs associated with manufactured gas plant clean-up. The result of the filing was a per therm surcharge approved by the Commission to recover the manufactured gas plant costs. NWE has now completed recovery of the related costs and now requests discontinuance of the surcharge. NWE proposes to pass back an associated over-recovery to customers through the commodity gas cost true-up in the Adjustment Clause.

The proposed revised tariff is Section No. 3, 4th Revised Sheet No. 11, Cancelling 3rd Revised Sheet No. 11.

At its regularly scheduled meeting on December 19, 2002, the Commission considered this matter.

Commission Staff recommended approval of the tariff revisions and of the over-recovery pass back through the gas cost true up with the following conditions concerning the inclusion of the over-recovery in the Adjustment Clause:

1. Approval of this request is a one time, case specific approval and any future deviation from filed Adjustment Clause tariffs must be filed for and approved by the Commission before implementation.
2. The Adjustment Clause currently tariffed is not changed by this approval and no precedent is created by approval of this request.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A-4 and 49-34A-6. The Commission further finds that the filing is just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that the above mentioned proposed tariff is approved and is effective for service rendered on and after January 1, 2003, and the over-recovery pass back through the gas cost true up is approved with the following conditions:

1. Approval of this request is a one time, case specific approval and any future deviation from filed Adjustment Clause tariffs must be filed for and approved by the Commission before implementation.

2. The Adjustment Clause currently tariffed is not changed by this approval and no precedent is created by approval of this request.

Dated at Pierre, South Dakota, this 3rd day of January, 2003.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: *Nelsine Kolbo*

Date: *1/6/03*

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Robert K. Sahr
ROBERT K. SAHR, Commissioner